

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC. and INTERSTATE POWER COMPANY	DOCKET NO. INU-00-4
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**ORDER EXPANDING INVESTIGATION AND
REQUIRING ADDITIONAL INFORMATION**

(Issued May 19, 2000)

On March 16, 2000, the Utilities Board (Board) commenced an investigation on the proposed withdrawal of IES Utilities Inc. (IES) and Interstate Power Company (Interstate) from membership in the Mid-Continent Area Power Pool (MAPP) reliability council and their plan to join the Mid-America Interconnected Network (MAIN) reliability council. Subsequent to the commencement of the investigation, IES and Interstate have in fact withdrawn from MAPP, although they remain subject to certain MAPP requirements for an interim period.

In the March 16, 2000, order, the Board requested more information on the transfer and its impact not only on IES and Interstate but also on Iowa system reliability in general. The Board also held an informal meeting for all interested persons on May 10, 2000, so that interested persons could ask IES and Interstate additional questions.

Iowa Code § 476.8 (1999) imposes on each public utility the duty to furnish reasonably adequate service and facilities. Rule 199 IAC 20.5(3) further provides that

"[t]he generating capacity of the utility's plant, supplemented by the electric power regularly available from other sources, must be sufficiently large to meet all normal demands for service and provide a reasonable reserve for emergencies." The statute and rule clearly indicate that the reliability of an electric utility's delivery system and its available capacity are elements of adequate service.

After reviewing the additional information provided by IES and Interstate in their filing and at the May 10, 2000, meeting, the Board will expand the inquiry to encompass reliability and capacity in general for IES and Interstate. The Board is concerned because there is a potential for capacity shortages in the region this summer, resulting in significantly higher prices for short-term purchased power. These regional conditions are coincident with an increasing reliance on short-term purchased power by both IES and Interstate.

IES and Interstate will be required to file the following information on or before June 10, 2000:

1. All the load and capability information that has been filed by IES and Interstate with MAIN. The filing is to include all calculations needed to estimate MAIN's planning reserves and a copy of the MAIN audit report.
2. IES' and Interstate's proposed plans for meeting the electric needs of their customers over the summer 2000, winter 2000, summer 2001, and winter 2001. The plan is to show the resource options they intend to use to meet those needs and include the following: a) specify how the implementation and use of resource options vary with changes in supply and

demand circumstances; b) identify all specific commitments that exist at the time of the filing; c) identify the expiration dates of existing power contracts and plans to replace those contracts; d) discuss plans to reduce existing resources through sales, leases, deratings, or retirements.

3. With respect to the resource plans referred to in two above, IES and Interstate are to file supporting information that contains a complete list of resource options considered. At a minimum, the list must include power purchases from other utilities, power purchases from non-utilities, new generating facilities of various types and sizes, cogeneration, new transmission facilities of various types and sizes, upgrading of existing generation and transmission equipment, load-control equipment, and energy efficiency programs. For a resource option that could meet a significant part of the projected need, the supporting data is to include a general evaluation of the option, including its availability, cost, and reliability.

4. With respect to the resource plans referred to in two above, supporting data is to be provided that must include descriptions of the overall process and of the analytical techniques used by each utility to create its proposed resource plan from the available options.

5. With respect to the resource plans referred to in two above, supporting data is to be provided that includes an action plan and a description of the activities each utility intends to undertake to develop or obtain resources identified in its proposed plan. The action plans are to cover a two-year period

beginning with the filing date. The action plans are also to include a schedule of key activities, including construction and contracting.

6. With respect to the resource plans referred to in two above, supporting data is to be provided that includes a narrative and quantitative discussion of why the plans are in the public interest.

7. With respect to the resource plans referred to in two above, the filing is to include a non-technical summary describing IES' and Interstate's resource needs, the process and analytical techniques used to create the plan, activities required over the next two years to implement the plan, and the likely effect of plan implementation on electric rates and bills.

Because interruptible load plays an important role in capacity planning, the Board will also track historical and current operations under IES' and Interstate's interruptible load programs. The following historical information is to be provided on or before June 10, 2000:

1. A list of IES' and Interstate's interruptible customers. The list should include each customer's estimated peak load during the summer months and how much load each customer has signed-up for interruption.

2. A list of how many interruptions were made during the summer, when the interruptions were made, duration of each interruption, and what percentage of each customer's load was interrupted each time. The information should be provided for the summers of 1997, 1998, and 1999.

Current information on interruptible load is also required. On or before the tenth of each month, beginning July 10, 2000, and ending October 10, 2001, IES and Interstate are to file reports for the preceding calendar month that include the following information:

A list of how many interruptions were made during the previous month, when the interruptions were made, the duration of each interruption, and what percentage of each customer's load was interrupted each time.

IT IS THEREFORE ORDERED:

1. The investigation, identified as Docket No. INU-00-4, to obtain further information on Alliant Energy's plan to change the reliability council membership of IES Utilities Inc. and Interstate Power Company from MAPP to MAIN is expanded to include reliability and availability of supply.
2. IES and Interstate shall provide the information identified in this order within the time frames contained in this order.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 19th day of May, 2000.